

Message Text

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PAGE 01 TURIN 00295 201100Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /068 W

-----009986 201227Z /50

R 201200Z JUN 77

FM AMCONSUL TURIN

TO SECSTATE WASHDC 0729

INFO AMEMBASSY ROME

AMCONSUL FLORENCE

AMCONSUL GENOA

AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL PALERMO

AMCONSUL TRIESTE

UNCLAS TURIN 0295

E.O. 11652: N/A

TAGS: BEXP, ECON, EFIN, IT

SUBJ: OLIVETTI SELLS MINI-COMPUTER MARKETING RIGHTS TO
U.S. COMPANY

1. DATAPRODUCTS CORP. OF WOODLAND HILLS, CAL. HAS RECENTLY
SIGNED AGREEMENT WITH OLIVETTI FOR MARKETING OF ITALIAN
FIRM'S NEW MINI-COMPUTER MODEL P6060.

2. OLIVETTI, S.P.A. LOCATED AT IVREA, TURIN CONSULAR DISTRICT,
IS ONE OF WORLD'S LEADING MANUFACTURERS OF OFFICE MACHINES
AND EQUIPMENT AS WELL AS ELECTRONIC DATA PROCESSING EQUIP-
MENT. OLIVETTI FIRST MADE SIGNIFICANT IMPACT IN U.S. MARKET
IN 1960 WHEN COMPANY TOOK OVER FINANCIAL CONTROL OF UNDER-
WOOD CORPORATION, WHICH LATER CHANGED ITS NAME TO OLIVETTI
CORPORATION OF AMERICA. OLIVETTI NOW ALSO MAINTAINS BRANCH
FACTORY IN HARRISBURG, PENNA. AND ITS MARKET SALES IN THE
U.S. CURRENTLY REPRESENTS 28 PERCENT OF COMPANY'S TOTAL PRODUC-

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TION.

3. IN DISCUSSION WITH OFFICIAL OLIVETTI SPOKESMAN CONCERNING
RECENT U.S. AGREEMENT, E/C OFFICER WAS INFORMED THAT WHILE
INITIAL OLIVETTI/DATAPRODUCTS CORP. CONTRACT ONLY PROVIDED
MARKETING RIGHTS TO U.S. COMPANY, OPTION CLAUSE IN AGREE-
MENT GAVE DATAPRODUCTS CORP. EVENTUAL POSSIBILITY OF PRODUCING

MINI-COMPUTERS UNDER LICENSE. OFFICIAL SPOKESMAN POINTED OUT, HOWEVER, THAT DETAILS OF LICENSING AGREEMENT WOULD HAVE TO BE RENEGOTIATED AT LATER DATE. OLIVETTI SPOKESMAN WAS NOT IN POSITION TO PROVIDE EXACT FIGURE PAID BY DATAPRODUCTS CORP. FOR COMPANY'S MARKETING RIGHTS, BUT INDICATED THAT SUM WAS IN MILLION-DOLLAR RANGE.

4. DATAPRODUCTS CORP. IS MAJOR U.S. PRODUCER OF ELECTRONIC DATA PROCESSING EQUIPMENT IN ITS OWN RIGHT. FIRM MAINTAINS THREE SUBSIDIARIES THROUGHOUT U.S. INCLUDING DATAPRODUCTS OF SUNNYVALE, CAL. (100 PERCENT), DATA SERVICES, INC. (95 PERCENT) AND DATA CARD CORP. (65 PERCENT).

5. COMMENT: OLIVETTI/DATAPRODUCTS CORP. CONTRACT IS ONE OF FEW AGREEMENTS OF ITS KIND WHERE CONTRACT INVOLVES TRANSFER OF TECHNOLOGY FROM ITALY TO THE U.S. WHILE AGREEMENT MAY NOT REFLECT ANY TREND IN TERMS OF INCREASED COMPETITIVENESS OF ITALIAN PRODUCTS IN U.S. MARKET, IT MAY SUGGEST THAT GAP BETWEEN ITALIAN AND U.S. TECHNOLOGY (PARTICULARLY IN COMPUTER FIELD WHERE U.S. HAS BEEN IN FOREFRONT) IS CLOSING IN MANY AREAS.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, CONTRACTS, COMPUTERS
Control Number: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770219-0508
Format: TEL
From: TURIN
Handling Restrictions: n/a
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Line Count: 84
Litigation Code IDs:
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Litigation History:
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Message ID: f3616479-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2088958
Secure: OPEN
Status: NATIVE
Subject: OLIVETTI SELLS MINI-COMPUTER MARKETING RIGHTS TO U.S. COMPANY
TAGS: BEXP, ECON, EFIN, IT, US, OLIVETTI S P A, DATAPRODUCTS CORP
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/f3616479-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009